

Rule Summary, R657-61
Valuation of Real Property Interests for Purposes of Acquisition or Disposal

This administrative rule has been written in response to recently passed legislation (HB 354) that requires various land-owning state agencies to create their own administrative rules that describe how the respective agencies determine the value of real property being acquired/disposed. Rule 657-61 requires the Division to acquire either an appraisal report or a real estate broker's opinion of value on all real property it acquires or disposes, except when: (a) the subject property is being donated/gifted to the Division; (b) the property interest being considered is a right-of-way, lease, or other less-than-fee interest that is not permanently lost/acquired; (c) the market value of the property is estimated to be less than \$100,000 in value; (d) the asking price is considerably less than market value as estimated by the Division; (e) the asking price is reasonable, but the time required to obtain an appraisal would likely result in losing the purchase opportunity; or (f) an appraisal has already been conducted on the property within the past 12 months.

The Division must consider and weigh economic and social values associated with the real property in an effort to maintain a level of congruency between the compensation for the property and its values. Should the value exchanged in a real property purchase /disposal transaction not be justified by market value alone, the Division must create and keep a memo-to-file describing the Division's rationale and consideration of the non-market values, and the decision made by the Division.